



CITY OF MORGAN HILL
COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS

Dennis Kennedy, Mayor
Larry Carr, Mayor Pro Tempore
Hedy L. Chang, Council Member
Greg Sellers, Council Member
Steve Tate, Council Member

REDEVELOPMENT AGENCY

Dennis Kennedy, Chair
Hedy L. Chang, Vice-Chair
Larry Carr, Agency Member
Greg Sellers, Agency Member
Steve Tate, Agency Member

WEDNESDAY, MARCH 6, 2002

AGENDA

JOINT MEETING

CITY COUNCIL SPECIAL & REGULAR MEETING

and

REDEVELOPMENT AGENCY SPECIAL MEETING

*A Special Meeting Is Called at 5:30 p.m. for the Purpose of
Conducting a Study Session and Closed Sessions.*

Dennis Kennedy, Mayor/Chairman

5:30 P.M.

Redevelopment Agency Action

STUDY SESSION:

Time Estimate		Page
1)	1 Hour	<u>REDEVELOPMENT AGENCY (RDA) ALLOCATION WORKSHOP</u> 1
		<u>Recommended Actions(s):</u>
1.		<u>Review</u> the Six Options and Determine the Allocation of \$147 Million of the Net Tax Increment Available to the Redevelopment Agency Over the Next Ten Years or So;
2.		<u>Direct</u> Staff to Prepare the Five Year Capital Improvement Program

3. (CIP) to Implement the Adopted Allocations; and
Direct Staff to Prepare a Short Term Borrowing Strategy to Allow the
Projects to Proceed as Quickly as Possible.

6:00 P.M.

CALL TO ORDER

(Mayor/Chairperson Kennedy)

ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency Secretary Torrez)

City Council and Redevelopment Agency Action

CLOSED SESSIONS:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure to Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 4

2.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of
Cochrane Road (St. Louise Hospital property)

City Negotiators: Agency Members; Executive Director; Agency Counsel; F. Gale Conner,
special counsel; Rutan & Tucker, special counsel

Case Name: San Jose Christian College v. City of Morgan Hill

Case Numbers: USDC Northern California No. C01-20857 RMW

Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)

Name of Case: City of Morgan Hill v. Panwala

Court: Santa Clara County Superior Court

Case Number: CV94195

4.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Case Name: Drivers' Placement v. City of Morgan Hill

Case Number/Court: Santa Clara Superior Court Case No. CV788941

Attendees: City Manager, City Attorney, Special Counsel Dan Siegel, Public Works
Director

5.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Case Name: Del Priore et al. v. City of Morgan Hill et al.
Case Number: Northern District, United States District Court, C 01-20436

6.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Case Name: Fuhs v. City of Morgan Hill et al.
Case Number: Santa Clara County Superior Court, CV 799784

7.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Name of Case: Hacienda Valley Mobile Estates v. City of Morgan Hill et al.
Case No: C 01-20976 PVT, United States District Court, Northern District of California
Attendees: City Council, City Manager, City Attorney

8.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Name of Cases (3) : Santa Teresa Citizen Action Group et al. v. Environmental Appeals Board of the United States EPA;
Santa Teresa Citizens Action Group et al. v. California Energy Commission; Santa Teresa Citizens Action Group et al.
v. California Energy Commission;
Case No/Court (3) : Ninth Circuit Court of Appeals, No. 01-71611; Sacramento County Superior Court Civil No. 01
CS 01830; California Supreme Court Case No. S 103019
Attendees: City Manager, City Attorney

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTION

Emi Totschinger, Assistant Engineer
Public Works

PRESENTATION

Pancho Guevara, Acting Executive Director for Santa Clara County Housing Trust
Carl Guardino, Joint Venture Silicon Valley
Bill Newkirk

CITY COUNCIL REPORT

Mayor Pro Tempore Carr

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.
(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE DEPUTY CITY CLERK.**
(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE CITY
CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

City Council Action

CONSENT CALENDAR:

The Consent Calendar, Agenda Items #2 through # 7 and Agenda Items # 8 and # 9 may be acted upon with one motion, a second and the vote, by each Respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

- 2) **RE-APPROPRIATION OF MATCHING FUNDS FOR INSTALLATION OF BICYCLE RACKS 3**
Recommended Actions(s): Re-Appropriate Matching Funds of \$7,158 from the City's Fiscal Year 2000/2001 Unappropriated Street Fund Balance for the Installation of 25 New Bicycle Racks.
- 3) **FINAL MAP APPROVAL FOR STERLING ESTATES (TRACT 9383) 7**
Recommended Actions(s):
1. **Approve and Authorize** the Recordation of the Final Map;
2. **Authorize** the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; And
3. **Authorize** the Recordation of the Map and the Subdivision Improvement Agreement Following Recordation of the Development Improvement Agreement.
- 4) **AMENDMENT TO CONTRACT WITH CAROLLO ENGINEERS FOR PREPARATION OF WATER, SEWER AND STORM DRAIN MASTER PLANS 21**
Recommended Actions(s):
1. **Appropriate** \$15,150 from Unappropriated Water Fund (650) Balance and \$12,440 from Unappropriated Sewer Fund (640) Balance for These Projects; and
2. **Authorize** a \$27,590 Increase to the Carollo Engineers Contract for the Water and Sewer Master Plan.

5)	<u>AMENDMENT TO APPROPRIATION FOR SUPPLEMENTAL IMPROVEMENT AGREEMENT WITH MORGAN HILL DEVELOPMENT PARTNERS, L.P. - DIGITAL DRIVE</u>	25
	<u>Recommended Action(s):</u> <u>Appropriate</u> Additional \$10,063 from the Current Year Unappropriated Traffic Impact Fee Fund for this Reimbursement.	
6)	<u>RESIDENTIAL DEVELOPMENT CONTROL SYSTEMS (RDCS) 2002, QUARTERLY REPORT NO. 1</u>	29
	<u>Recommended Actions(s):</u> <u>Accept</u> Report by Minute Action.	
7)	<u>APPROVAL OF SPECIAL CITY COUNCIL MEETING MINUTES FOR FEBRUARY 27, 2002</u>	45

City Council & Redevelopment Agency Action

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
8)	<u>APPROVAL OF JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR FEBRUARY 20, 2002</u>	47
9)	<u>APPROVAL OF JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR FEBRUARY 20, 2002</u>	61

City Council Action

PUBLIC HEARINGS:

	Time Estimate	Page
10)	5 Minutes	
	<u>SOLID WASTE MANAGEMENT RATE ADJUSTMENT</u>	63
	<u>Recommended Action(s):</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Approve</u> the Refuse Rate Adjustment, Resolution No. 5552.	
11)	5 Minutes	
	<u>PREZONE APPLICATION ZONING AMENDMENT, ZA-97-08: HILL-GERA</u>	73
	<u>Recommended Action(s):</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action - <u>Motion to Adopt</u> Mitigated Negative Declaration. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance No. 1550 N.S., Approving the Zoning Amendment. <u>Motion to Introduce</u> Zoning Ordinance No. 1550, N.S. by Title Only. (Roll Call Vote)	

	Time Estimate		Page
12)	5 Minutes	<u>DEVELOPMENT AGREEMENT AMENDMENT, DAA-99-04; EAST DUNNE - MORGAN MEADOWS</u>	87
		<u>Recommended Action(s):</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Development Agreement Amendment (DAA) Ordinance No. 1551 N.S., <u>Motion to Introduce</u> DAA Ordinance No. 1551, N.S. by Title Only. (Roll Call Vote)	
13)	10 Minutes	<u>ZONING AMENDMENT APPLICATION, ZAA-00-11; EAST DUNNE - TROVARE</u>	101
		<u>Recommended Action(s):</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Residential Planned Development (RPD) Ordinance No. 1552 N.S., <u>Motion to Introduce</u> on First Reading RPD Ordinance No. 1552, N.S. by Title Only. (Roll Call Vote)	
14)	25 Minutes	<u>DEVELOPMENT AGREEMENT AMENDMENTS, DAA-00-07; EAST DUNNE - TROVARE AND DAA-01-01; EAST DUNNE - TROVARE (PHASE III)</u>	115
		<u>Recommended Action(s):</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Development Agreement Amendment (DAA) Ordinance Approving A One Year ELBA for 19 Phase I Units. Action- <u>Motion to Introduce</u> on First Reading The DAA Ordinance Approving a One Year ELBA for 19 Phase I Units. (Roll Call Vote) _____ Action- <u>Motion to Adopt</u> Resolution Denying Development Agreement Amendment Request for a One Year ELBA for 14 Phase III units.	
15)	5 Minutes	<u>ZONING AMENDMENT, ZA-01-24; CITY OF MORGAN HILL - ZONING TEXT AMENDMENT</u>	139
		<u>Recommended Action(s):</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action - <u>Motion to Adopt</u> Mitigated Negative Declaration. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance No. 1554 N.S., Approving the Zoning Amendment. <u>Motion to Introduce</u> Ordinance No. 1554, N.S. by Title Only. (Roll Call Vote)	

16)	20 Minutes	<u>URBAN SERVICE AREA APPLICATION, USA-01-02, GENERAL PLAN AMENDMENT, GPA-01-04; ZONING AMENDMENT, ZA-01-09; AND ANNEXATION ANX-01-03: HALE AVENUE - DIOCESE OF SAN JOSE</u>	149
		<u>Recommended Action(s):</u>	
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed.	
		Council Discussion.	
		Action- <u>Motion to Adopt</u> Resolution No. 5555 Certifying EIR,	
		Action- <u>Motion to Adopt</u> Resolution No. 5556 Approving General Plan Amendment,	
		Action- <u>Motion to Adopt</u> Resolution No. 5557 Approving an Amendment to the Urban Service Area Boundary.	
		Action- <u>Motion to Waive</u> the Reading in Full of Prezone Ordinance No. 1553, N.S.,	
		Action- <u>Motion to Introduce</u> on First Reading the Prezone Ordinance No. 1553, N.S.	
		(Roll Call Vote)	
		_____ Action- <u>Motion to Adopt</u> Resolution No. 5558 Approving Annexation.	

City Council & Redevelopment Agency Action

PUBLIC HEARINGS:

	Time Estimate		Page
17)	20 Minutes	<u>ADDITIONAL LOAN REQUEST - OLD MORGAN HILL ELEMENTARY SCHOOL BUILDING RELOCATION/REHABILITATION (LLAGAS VALLEY INVESTORS)</u>	177
		<u>Recommended Action(s):</u>	
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed.	
		Council Discussion.	
		<i>City Council Action:</i>	
		Action - <u>Motion to Approve</u> Resolution No. 5554, Approving the Loan of Funds to Llagas Valley Investors for Ojo De Agua Community Development Project	
		<i>Redevelopment Agency Action:</i>	
		Action - <u>Motion to Approve</u> Resolution No. MHRA-240 Approving the Loan of Funds to Llagas Valley Investors for Ojo De Agua Community Development Project.	
		Action - <u>Motion to Appropriate</u> \$400,000 from Fund 317.	

City Council Action

OTHER BUSINESS

	Time Estimate		Page
18)	10 Minutes	<u>ENVIRONMENTAL PERFORMANCE OF NEW PUBLIC FACILITIES</u>	211
		<u>Recommended Action(s):</u> <u>Provide</u> Direction to Staff.	

- 19) 5 Minutes NEW CITY LOG IMPLEMENTATION PLAN 215
Recommended Action(s): Direct Staff to Proceed With Logo Implementation.

City Council & Redevelopment Agency Action

- 20) 10 Minutes WORK PLAN FOR A HOUSING STRATEGY 219
Recommended Action(s):
1. Accept Work Plan;
2. Direct Staff to Implement Work Plan; and
3. Direct Staff to Implement the RFQ/RFP Process for the Development of the Watsonville
Road Property, Including the Selection Of A Developer and Negotiation of An Agreement.

City Council Action

SECOND READING OF ORDINANCE: Full Reading Waived By Majority Vote.

(Government Code Section 36934)

Action -- Adopt Ordinance by roll call vote.

- 21) 1 minute ADOPT ORDINANCE NO. 1548 NEW SERIES 227
An Ordinance of the City Council of the City of Morgan Hill Approving a Zoning
Amendment to Establish a Precise Development Plan for a 54-Unit R-1 (7,000)/RPD Single-
family Residential Planned Development Located on the Northeast Corner of the Intersection
of Sunnyside Avenue and Watsonville Road (APN 767-29-006), as amended.

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken
on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT